

SUBJECT: Analysis of Proposals CAN-73, CAN-74, CAN-75, and
CAN-81, The Ramo-Wouldridge Corporation

TO: Contracting Officer

1. An audit has been made of the referenced proposals.
2. In Proposal CAN-74, CMCC Doc. No. 1132X5.130, the contractor made an error in addition of material costs. Correction of this error and application of the B and A expense percentage and fee percentage to corrected amounts results in a total estimated cost of instead of and total estimated cost including fee of instead of as shown in the proposal: (Previously corrected)

3. Labor Rates: - Average rates and comments

ILLEGIB

report dated 10 June 1957, Subject: Analysis of Proposals for Additional Work Under Contract A-101. In some of the present proposals, a rate of [] was used for Technicians, rather than [] which was used in the earlier proposals. All other rates used in the present proposals are the same as rates analyzed in our report of 10 June 1957.

4. Overhead and Band A rates: - The contractor used on R and D overhead rate of [] and a Band A rate of [] in all of the present proposals, except CAN-74.

For the eight months ended 31 August 1957, the actual rates were [] for R and D overhead

5. Proposal CAN-74 evidently covers 1956 costs.

However, labor rates used are the same as those included in proposals on 1957 costs. Since all employees

receiving less than ^{25X1} per year were given a

^{25X1} general increase of in January 1957, it appears

that lower estimated rates for 1956 would be more accurate.

Communications Division adjusted overhead rate

for the year ended 31 December 1956 was ^{25X1}

and the adjusted corporate & indirect rate was ^{25X1}

25X1

Rates of respectively, were used in Proposal CAN-74. These are rates which were projected prior to the end of 1956.

b. No analysis was made of the estimates of the number of labor hours, material costs, and other direct costs, since these are not susceptible of an audit determination.

WDM
10/3/57

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ORIGINAL DOCUMENT MISSING PAGE(S):

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